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100 Ways to Be a Better Entrepreneur

Learn how to run and grow your business more effectively and efficiently.

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Need help reenergizing your business? Out of creative ideas for reaching your business goals? We've compiled a list of the top 100 tips to improve your business. Consider it your checklist for maintaining a successful business.

Expand Your Business

1. Take on the World

Want your company to go global? Keep these 9 tips in mind when eyeing foreign shores:

1. Research and map out your export journey.
2. Know where you want to go and go there.
3. Take that decisive step and follow it up with sensible judgment. Jump in with both feet first, but keep them firmly planted on the ground.
4. Keep your ego in check. Don't let the prospect of "going global" inflate your ego and cause misjudgments.
5. If it smells, looks, or feels bad, don't try to rationalize otherwise. Trust your instincts.
6. Treat people as you yourself want to be treated.
7. Make personal contact with attentiveness, courtesy, professionalism, and consistency.
8. Factor in a three-year lead-time for world market penetration. It takes time and patience.
9. In a global marketplace, welcome the unknown.

2. Where to Find Expansion Financing

You may have used personal savings or money borrowed from friends and family to get started, but where do you go when it's time to grow your business? If you've been in business for less than three years or have nothing to offer as collateral, you might find traditional lending institutions unwilling to finance your business. There are options, though--if you know where to look. Try these three funding sources to fund your expansion plans:

- **Go back to those same friends and family.** If your first loan wasn't formalized, do it this time by drawing up documents with a set repayment plan and interest.
- **Go the government route.** Many entrepreneurs get financing, including microloans, from SBA-backed lenders.
- **Talk to your vendors.** Another method of obtaining financing for supplies or materials is to approach vendors of those products about opening a line of credit with them so you can stock your inventory or buy raw materials for your product without having to put the cash upfront.

3. Should You Open Another Location?

This might not be your best choice for business expansion, but it's what often comes to mind first for so many entrepreneurs considering expansion. Take a look at the following six tips to see if opening a second location is the right move for your business:

- Make sure you're maintaining a consistent bottom-line profit and that you've shown steady growth over the past few years.

- Look at the trends, both economic and consumer, for indications on your company's staying power.
- Make sure your administrative systems and management team are extraordinary—you'll need them to get a new location up and running.
- Prepare a complete business plan for a new location.
- Determine where and how you'll obtain financing.
- Choose your location based on what's best for your business, not your wallet.

4. Franchising and Licensing

Have you ever considered turning your business into a franchise or business opportunity? The key question to ask yourself is if your business can be converted into a business format that somebody else could operate (a franchise) or if you have a standardized product or service that someone could resell multiple times (a business opportunity). While you may think that expanding your business requires raising capital, hiring employees, buying equipment and leasing office or warehouse space, it's often more profitable—and less risky—to license your product to a big corporation with manufacturing capabilities and an existing sales force to do the work for you.

5. How to Target Other Markets

If you sell to teens, start marketing to college students. If you sell to working moms, maybe your product will work for stay-at-home moms with a few modifications. Another strategy is to take a retail-oriented product or service and sell it wholesale. For example, a catering business that specializes in cakes, pies and other tasty desserts can contact local bakeries to sell its goods on a wholesale basis. While the price you get from the bakeries will be lower (because the bakeries need to mark it up to their customers to make a profit), you'll sell more products and generate consistent cash flow that you can bank on.

Continuing Your Personal Development

6. Take a Vacation!

Many small-business owners brag about how indispensable they are and that they never take vacations. But if you're not taking time to unwind, you're setting a terrible example for your employees. Not taking a vacation is not a sign of an indispensable business owner; it's proof of an ineffective leader. It's the mark of an irritable boss with high employee turnover.

You've got to prepare for that first vacation so you can really take it easy while you're sipping piña coladas on your Caribbean lounge chair. If you're afraid to take a vacation, you may be too active in the mundane day-to-day tasks of your business and not be allowing If you're doing the same tasks as your employees, stop it immediately—you're the boss, the leader, the visionary.

You have to start by making sure you've adequately trained your employees to do their jobs. Then allow them to perform those responsibilities without you always looking over their shoulders. As your employees have more success and fewer failures, they will relish the more demanding challenges ahead—leaving you time to build your business—and leaving you time for a vacation.

7. Develop Your Social Capital

Social capital is very similar to its monetary sibling. It, like monetary capital, is accumulated by an individual or a business and used in the production of wealth. Put more simply, it's the accumulation of resources developed through personal and professional networks. These resources include ideas, knowledge, information, opportunities, contacts and, of course,

referrals.

Effectively developing your social capital can be a daunting task. However, doing so within a structured, organized networking framework will leverage your efforts and help you begin building your balance of capital to positively impact your bottom line. A key way that social capital is acquired is through networking because successful networking is all about building and maintaining solid, professional relationships. Plan your word-of-mouth marketing efforts just as you would any marketing effort. Give referrals constantly. It helps build your contact network, and good business karma as well. And show professionalism at all times. Being dependable, delivering a product on time, meeting appointments consistently and treating others with courtesy will give you a professional reputation and cause you to be remembered by those you wish to have become a contributor to your social capital.

8. Creating a Think Tank for Your Business

As a business professional, you need a constant supply of information to achieve success. You must stay aware of trends and issues and keep up with rapid economic and technological changes to become and stay competitive.

You may have already discovered that it's next to impossible to keep up with all this information on your own. There is simply too much of it. Fortunately, the knowledge you lack is always someone else's specialty, so you can turn to others for help. There are usually at least a few people who can help you deal with certain issues or special problems that you may encounter in the business or profession you are in or are interested in entering. In lieu of specific knowledge, you must know in advance whom to contact and where to go to get the information you need.

When you've identified your most important contacts, start connecting with these people to enhance and improve your knowledge network. As you do this, your network and the information you need to build your business will expand and grow.

9. How to Undertake a Personal Learning Program

What do you have to do to enjoy the long-term benefits of a personal learning program? Subscribe to business magazines and e-mail newsletters, and read them consistently. If you have a Palm or Pocket PC, use e-book software to read business articles and e-books. Listen to audiotapes in your car. Commit yourself to reading (or listening to) at least one or two business books each month. Register for seminars and short classes that teach hands-on skills such as marketing, sales, accounting, legal issues, etc.—the more you know about each such subject, the better you'll be at supervising people who do those tasks for you. In general, you must make your education a priority and schedule significant amounts of time for it. While some of this can be squeezed into your day (such as reading while waiting in line), much of it will require you to give up something else that probably isn't as important (such as watching television).

10. Why You Should Never Stop Learning

Long-term business success relies on continuous personal growth. Achieving that means being better today than you were yesterday, and being better tomorrow than you are today. A common mistake for many entrepreneurs is that they "just don't have time" to work on the things that will make them better at what they do. They get caught up in the daily operations of their business and can't see past that. You may have heard the old saw that some things are urgent and some are important, but few things are both. Many business owners spend their time on the urgent things because their lack of planning and long-term perspective

continually creates additional urgent things. Self-education is a good example of something that is extremely important but not at all urgent.

What you must do is immerse yourself in data and make it your goal to absorb and understand that information, turn it into knowledge and then use that knowledge to gain experience. This, of course, is a long-term task, and the main reason most people fail to stay with it is because the feedback loop is so long. It often takes months of hard work before you start to see positive changes—you won't see the changes as they happen, but you'll look back one day and be amazed at how much your judgment and business skills have grown. You'll feel yourself start to think more clearly, you'll understand more of what you see and hear, and your entrepreneurial vision will become clearer.

Smart Money-Saving Tactics

11. Buying Brainpower

Sometimes it's not what you buy, but how you buy that will save you money. Check out these smart shopping tips:

- **Stretch your budget with barter.** Swapping one product or service for another is a good way to avoid cash outlays—and unload slow-moving inventory. If you'd rather not bargain with other businesses directly, hire a commissioned barter broker (listed in the Yellow Pages under "Barter"), or join a commercial barter club or exchange.
- **Time your payments.** Ask suppliers if they give discounts for early payment. If not, it's to your advantage to pay your bills—including utilities, taxes and suppliers—as late as possible without incurring a fee. The longer money is in your account, the longer it's earning interest for you.
- **Join an association.** Many trade and business associations have reasonable membership fees and offer discounts on everything from insurance, travel and car rental to long-distance phone service, prescriptions and even golf course fees.
- **Seek at least three bids on everything.** Even mundane purchases merit shopping around. If you quote a competitor's lower price, a supplier or vendor will often match that price to win your business.

12. Employee Economics

Employees can be your most costly investment. If you're not sure you're ready to take the jump to hire a full-time employee—and pay for their benefits and deal with the HR headaches—there are alternatives. Employee leasing—in which you turn over your work force to a professional employer organization that leases your employees back to you—can save you substantial cash on employee benefits, says Bruce Steinberg at the American Staffing Association (ASA).

Or, rather than paying for employees who sit idle when business is slow, consider hiring temporary employees to handle surges in business. Another way to get free or low-cost help—and give college students a chance to learn the ropes—is by hiring interns. Check with your local university for more information.

13. Insurance Intelligence

Buying insurance is one of those necessary evils all smart entrepreneurs put up with. But that doesn't mean you have to break the bank. Here are some cost-cutting ideas:

- **Save by association.** When looking for insurance, check with your trade association. Many associations offer competitive group insurance.
- **Raise your deductible.** Raising the deductible on your insurance usually lowers your premiums. Even if you end up having to pay the deductible, it's likely to be less than the

amount you save.

- **Make a foul-weather friend.** By arranging for an alternative place to run your business in case of a major disaster, you may be able to save on business interruption insurance, advises the Insurance Information Institute. For instance, you could arrange with a firm in the same industry to use their facilities in case of damage, and vice versa.

14. Office Overhead

Small office essentials can nickel-and-dime you to death, unless you buy smart. Purchase recycled printer cartridges. Check Google or your Yellow Pages for a local recycled printer cartridge supplier. You can also find free forms online that you can download, customize and print. Start with our forms on Formnet. Another way to save money is buying used equipment. You can save up to 60 percent with used computer equipment, copiers and office furniture.

15. Penny-Pinching Promotions

Want to market your business on a budget? The people you know can help. Here are three ways the people in your network can assist your marketing efforts: 1. Split advertising and promotion costs with neighboring businesses. Jointly promote a sidewalk sale, or take your marketing alliance further by sharing mailing lists, distribution channels and suppliers with businesses that sell complementary goods or services. 2. Ask the people you know for help. The kind of support you'd most like to get from your contacts is referrals-the names of specific individuals who need your products and services. So go ahead and ask! Your contacts can also give prospects your name and number. As the number of referrals you receive increases, so does your potential for increasing the percentage of your business generated through referrals. 3. Got a happy customer? By telling others what they've gained from using your products or services in presentations or informal conversations, your sources can encourage others to use your products or services.

Becoming More Tech Savvy

16. Up to Date

Here are some of the most effective and least expensive items you may want to buy to bring your older computers back up to speed:

- **Hard Drives.** One of the most important features of any computer is its ability to store large amounts of data. Whether you need desktop drives to back up your primary hard drives or store your digital video files, or a portable large-capacity drive to carry a hefty business presentation, there are several solutions that may help meet your needs.
- **CD-ROM/R/RW and DVD-ROM/R/RW Drives.** Upgrading to a speedier CD-ROM drive may be just what you need to give your system a valuable boost in performance.
- **Processor Upgrades and Accelerators.** Processor upgrades and accelerators allow you to increase the overall performance of a computer by allowing it to process information faster. Accelerators do this by shifting operational functionality and providing additional cache memory, thereby freeing up the computer's main processor so it can do its real job-running software applications.
- **Memory.** While everything that has already been mentioned can help increase the usability of your current computers, one of the most tried and true ways to improve performance is to simply install more random access memory, otherwise known as RAM.

17. Shopping List

If your company is going to expend the time and resources on new technology purchases, they need to be worthwhile. Keep in my these three tips next time your company is ready to do some serious tech buying:

1. **1. Renegotiate existing contracts for services such as network support and consulting.** Telecom is especially ripe for bargains. Start by setting benchmarks for rates and auditing bills to ensure you're not overpaying. Then instead of buying all long-distance, local phone and other telecom services from one vendor, dual-source it. Vendors will treat you better and charge you less.
2. **2. Make sure you need whatever new technology you do buy.** Inventory all PCs, printers and software. Look for opportunities to consolidate purchases, standardize configurations and root out duplication.
3. **3. Set up a system to keep doing it.** Pick a team of people from IT and other departments, and meet with them regularly to discuss what they need and how to save on it.

18. Buy Smarter

Investing in technology for your business doesn't have to send you to the poor house, as long as you know how to get the most out of what you can spend. You can't afford to have a key business hardware component go down without protection. A warranty will give you peace of mind. It's as important to know when not to skimp as it is to know when to go for the extra discount.

Discount stores have decent-size technology sections and can net you good value on everything from laptops to printer cartridges. What you won't get is a lot of one-on-one service. If you're sure of what you want, go ahead and look out for good deals. If you need to ask questions, go somewhere else.

You can also save money by working closely with a value-added reseller (VAR). This is a good route to explore for large purchases where you want the reseller to also be the installer. The reseller will be up on the latest special offers and promotions that fit your needs. Selecting the right VAR is also important. See how long they have been in business and whether they have experience serving your particular market.

19. Leave No (Paper) Trail

Drowning in paper? Technology can help you reduce or even eliminate your need for paper. Try the following nine options to free your office from stacks and stacks of paper that threaten to overwhelm:

- **Computers:** PCs, laptops and handhelds can be combined for document creation mobility and flexibility, stamping out rampant paper use.
- **Scanners:** Scanners create digital images so that documents can be exchanged electronically and preserved easily. When scanning, remember to employ image compression to maintain network performance, and make sure to choose a single, standardized electronic document format so that images can be indexed and searched easily.
- **E-mail:** E-mail is a great substitute for paper memos. Effective e-mail systems should allow users to filter content and file messages electronically by topic. They also should let workers combine e-mail with fax and voice-mail retrieval in a unified messaging system.

- **Storage systems:** Affordable, robust storage technology is essential for high-speed, centralized electronic information management. Check out low-cost systems built upon RAID (Redundant Array of Independent Disks) technology or iSCSI-based storage-area networks.
- **Fax over IP (Internet protocol):** The boring old fax goes high-tech with a Web- or e-mail-based fax capability that eliminates the need to send hard copies.
- **Wireless local area networks:** Wi-Fi LANs are spreading like wildfire, making electronic information mobile, portable and easily accessible to workers anywhere.
- **Secure remote access:** Virtual private networks (VPNs) ensure that home workers and road warriors get secure, confidential access to the company intranet, abolishing the need to lug around a briefcase full of documents.
- **E-learning systems:** Workers in training can say good-bye to books and binders when they use online or Web-based training systems.
- **Advanced printers:** Printers that print on both sides of a sheet can significantly reduce paper use.

20. Back It Up!

At any time, you could lose your computer equipment, whether it's a laptop that gets stolen or a desktop that's lost in a house fire. So be prepared: Back up your data weekly—or even daily. Some backup options include portable hard drives, DVD-writers and online data.

There are also several networked data storage options, including:

- **Direct Attached Storage:** Known as DAS, this technology attaches storage media (like disk arrays and tape backup) directly to servers.
- **Network Attached Storage:** Called NAS, this standalone, self-contained solution connects directly to a LAN, rather than to a server. The separation of data from servers tends to improve performance.
- **Storage Area Network:** SANs create a separate, dedicated high-performance network that is highly secure and scalable.
- **iSCSI SAN:** This type of SAN offers most of the strengths of the Fibre Channel SAN, but it's easier to install, has lower-cost connections, is much easier to manage and grows with your business.
- **Managed Storage Network:** Managed storage services are offered by specialized service providers. Businesses can contract with these providers, who implement and maintain the storage network on an outsourced basis.

Regardless of which backup method you choose, remember it's better to be safe than sorry when it comes to your data.

Get Your Marketing Act Together

21. Marketing on \$4 a Day

Research shows consumers need to hear a message at least three times for them to have name recognition and recall, and nine times before they become a customer. One-time or sporadic tactics are ineffective in increasing awareness, acceptance, preference and demand for your product. You can create more marketing momentum with daily action. One way to do this is to use a \$4-a-day marketing program.

The basic strategy is to contact 10 clients, prospects or contacts each day, five days a week. You can contact them by phone, fax, e-mail, letter or postcard. You can send out press releases, sales or follow-up letters, brochures, special offers, information sheets or thank-you

notes. Your cost is about 55 cents to print and mail five letters for a total of \$2.75. The telephone calls or faxes cost about a quarter each for a total of \$1.25. You do the math. If you're communicating by e-mail, your costs will be even less. Your goal is to create a combination of daily activities that help you communicate with existing as well as potential customers.

22. Take Time for Marketing

The key to maintaining a year-round marketing program, without those nasty peaks and valleys that can cost you so dearly, is effective preplanning. Have you written down your annual marketing plan? It doesn't have to be elaborate—just an outline will do, so long as you also schedule your tactics in a contact management software program or even on a paper calendar. With an outline and schedule for your basic marketing tactics, you can "gang" production and planning. For example, a monthly e-newsletter is a terrific way to maintain contact with prospects and takes less time than making individual phone calls. Each quarter, you can plan three issues at once, picking your topics and compiling content so that on the designated monthly mailing dates your newsletters are ready to go.

There's no hard and fast rule telling you exactly how much time you should spend marketing your businesses. In the fastest-growing businesses with sales of \$1 million or less, the owners tend to spend from about 25 percent to nearly 40 percent of their time in sales and marketing every week. However, if your business is new, you may need to devote about 60 percent of your time for a while to get it up and running. The most important thing is to maintain a consistent effort. This will keep your growth rate steady and enable you to more effectively build your business over time.

23. Follow the Rules

If you think most rules were made to be broken, you may want to think again. Sometimes thinking outside the box can produce surprisingly positive results, but generally not at the expense of tried-and-true rules for effective marketing. Case in point: Recently, an e-mail marketer got dismal results from a mailing to a previously well-proven list. What went wrong? The solicitation was 500 words long, had a nebulous subject line and offered only a dull white paper. Next time, this entrepreneur will do well to play by the rules—with a 250-word maximum, a clear subject line that lets recipients know what the e-mail is all about and a more compelling offer.

Thanks to the billions of dollars businesses invest in advertising every year, all aspects of it have been studied. For instance, we know that in magazine ads, one central photo or image works better than several small ones, while in newspaper ads (particularly those that feature product sales), several photos work well to capture the attention of readers. Often, marketing is not a do-it-yourself job. If you're unsure about the rules for each medium, it's a good idea to hire experienced professionals.

24. Focus Your Marketing Efforts

Casting too wide a net is a mistake often made by entrepreneurs with big appetites and small budgets. They want to try a little bit of everything—advertising in multiple magazines and newspapers, online ads on a variety of sites and a list of special events—but with limited budgets, they end up with a tiny presence in each. As a result, ads and promotions get minor attention and their entire marketing budgets are wasted.

When it comes to advertising, bigger is usually better. Large, four-color magazine ads generally produce better results than small, black-and-white ads. To maximize results from

your marketing program, narrow your media choices and consistently run larger ads with enough frequency to get noticed.

Similar advice holds true for special events. Instead of taking a small, obscure booth in a half-dozen community events, purchase one or two major sponsorships per year to ensure that everyone who attends the events will be exposed to your message.

25. Makeover Your Marketing

Have you recently had flat or lackluster sales? If you're predicting more of the same in the coming months, it's time to reassess your marketing strategies.

- **Study your audience.** The clearest sign that your marketing needs a makeover is when it stops resonating with your target audience. The first step is to understand your customers' hot buttons by reviewing published articles and research. Look beyond how and what your prospects buy. It's also vital to have input from B2B customers. Visit their job sites to discover the challenges they face and what they hope to gain by working with you.
- **Add value through innovation.** Entrepreneurial companies excel at innovation. New products and services are created and old ones are tweaked. So shake off your stagnant marketing approach and find new ways to communicate the value of your company's innovations to your target audience.
- **Set the competitive pace.** Does your competition define your marketing strategy? If you spent recent years reacting to your competitors' marketing messages, it's time to start setting the pace. Monitor their innovations and how they market, but develop your own campaign that addresses your audience's hot buttons and focuses on adding value.

Making Time for Time Management

26. Filling Your Time

It's essential that you make time tangible because it moves so fast and it seems so amorphous. But if you think about it, managing your time is identical to organizing your space. A schedule really has boundaries; it has edges. If you start to think of your schedule as a container into which you need to fit a limited number of objects—your tasks—you start to get more selective about which you'll put in. And if you group similar tasks by category, you can have a better handle on the kind of balance you're achieving.

27. Preparing for Tomorrow, Today

At the end of each workday, take a blank sheet of paper and write down everything you must accomplish tomorrow in the order the tasks should be done. The next day, you won't have to decide what to do first, and crossing off the things you accomplish will give you great satisfaction. Don't let the simplicity of a to-do list fool you; it's one of the best time-management tools ever invented.

You should create to-do lists each day or at least weekly. This will give you an overview of what to expect each week and give you time to make any changes in advance. Use it in combination with a calendar, and keep in mind that to-do lists are for tasks to be completed, while a calendar is for recording appointments.

28. Is This Worth My Time?

Throughout the day, periodically stop what you're doing and ask yourself if what you're

doing is the best use of your time. Ask yourself these few questions:

- Is the task you're working on a top priority?
- Is the task going to increase your business or income?
- Does the task correspond with your goals?
- Is it a task that someone else could handle, leaving you free to handle more important tasks?

If you answered no to any of the questions, switch to another task or delegate the task to someone else.

29. How Long Will It Take?

One skill entrepreneurs should tackle first is the skill of estimating how long things take. And that's a very simple skill to develop; you just have to concentrate on it. If you ask the best time managers to do anything, they say, "How long is that going to take me? I have to gather the equipment. I have to set it up. I have to check for batteries. I have to sit down and think a little bit." If you go through this process, then you're in the position to make smart decisions about which tasks you will do, which tasks you won't, what you should delegate, and how you can create shortcuts. It's a breakthrough skill.

30. Where Does the Time Go?

Examine where your working hours are going each week. You'll need to keep a log of your time for several weeks. Once the log is complete, sit down and evaluate where the time went. Upon reviewing the log, for each entry ask yourself: Is the task necessary? Then, if it's necessary, ask: Should I be the one who performs it? Immediately drop from your future schedule those unnecessary tasks, as well as any undertaking that doesn't contribute to the business in a real way.

For the other tasks, make a simple T chart. In one column, list the really important stuff that only you should do. In the other column, list the work that should be done by others. Finally, delegate those duties that should be done by others.

Get a Grip on Your Finances

31. When to Hire a CFO

Does your company have the adequate resources to handle tax planning, capital raising, cash management and all the other financial functions of a company? Or more simply: Is it time for your company to get a CFO? Of course, it varies from company to company, but answering some fundamental questions may indicate it's time to hire a CFO. Is the bill from your accounting firm surpassing the salary for a seasoned financial manager? Most entrepreneurial businesses turn to accounting firms for everything from taxes to raising capital, at a price tag of at least \$150 an hour. "A good financial strategist will cost at least \$90,000 a year, so do the math," says Steve Enright, president of SJE Partners, a Richmond, Virginia, HR consulting firm.

Do you need to raise equity capital to fund further operations? According to Hackeman, if your business wants to go beyond just regular bank loans for funding to the likes of VCs, private investors, the public markets or anyone else looking for a piece of the company, then it may be time to bring in a full-time financial expert.

Is your company beginning to do complicated financial transactions? While raising capital

can certainly get complex, there are other financial factors that can drive an entrepreneur to seek out a full-time financial advisor. One may be that his or her company is in the process of buying other companies. Another is that your business is beginning to set up deals with suppliers, customers or both that demand financial structuring outside the realm of common sense.

32. Costly Cost-Cutting Errors

When times are tough, you may be tempted to cut every expense under the sun to keep your business afloat. Beware, though—cutting the wrong things could end up hurting your business in the long run. Here are the cost-cutting measures that could ruin your business: Mistake No. 1: Choosing cheaper materials for your product. Mistake No. 2: Cutting back on advertising and marketing. Mistake No. 3: Not doing inventory or financial reports when times are lean. Mistake No. 4: Cutting R&D during the start-up stages. Mistake No. 5: Cutting anything that keeps a customer satisfied.

33. Smart Spending for Surplus Cash

If you find yourself with extra money, the first thing you should do is sit down with your CFO and accountant to do some serious projections. Look at the operating cycle of your business and how much cash you're expected to turn under normal circumstances. Make sure the extra money really is excess and not a one-time bump from an unusual sale or savings from a one-time cost cut. Then sock away enough money in an interest-bearing account or low-risk investment vehicle to last several months—anywhere from three to 12 months, depending on your industry—should the economy contract and customers be unable to pay. Then, if you have extra savings, pay down debt. Once that's done, look at improvements that won't add a fixed future cost, such as employee bonuses and one-time improvements to technology or other essential machinery.

If your business still has a surplus after putting away cash and making improvements without fixed costs, then consider making more significant changes, such as adding staff, expanding to another location, or purchasing a building for the business if you're currently leasing.

34. How Banks Can Help

If you've worked hard on preventing cash-flow issues, but still find yourself with an unexpected problem, what can you do about it? If you haven't been planning on this happening, you may face some painful choices: Borrow from your personal funds, delay paying some vendors, delay payroll, try to convince a customer to pay their bill early, etc.

A much better plan is to have a close relationship with your banker. Treat your banker as a partner, and send them frequent financial reports. The more a banker knows about your business, the more confidence he will have in you, and the more willing he will be to help out if you get in a cash crunch. Another important tool is a line of credit from your bank. Think of this as business overdraft protection for your checking account. If you've got that in place (and the time to look into this is not the day you need the money!) and a customer is slow to pay, you can draw on it until your invoices come in.

35. Basics of Cash-Flow Management

If there's one thing that will make or break your company, especially when it's small, it's cash flow. If you pay close attention to your cash flow and think about it every single day, you'll have an edge over almost all your competitors, and you will keep growing while other companies fall by the wayside.

Let's take a look at some basics. What does "cash flow" mean, anyway? For the moment, don't think about profits and losses, your balance sheet, gross margins, etc. Perhaps the simplest way to think about cash flow is to just think of the balance in your checking account. Will that balance be enough to pay your bills when they come due? That's the point of this whole concept—the further out you can predict your bank balance, the further out you can see a problem, and the longer you have to deal with it.

As you start to think about it, you'll realize that you can pretty easily forecast most of your expenses, at least for the next few months. Once you have that in mind, add the revenue that you believe you'll receive, and do the math.

Beefing Up Your Negotiation Skills

36. Good Things Can Come From Bad Deals

Have you ever made a really bad deal? Admit it. We all have. It may not be taught in any school, but deal-making is a core competency in life—particularly in the business world, where wealth and success are a fetish. Your negotiating ability directly affects your income, your relationships and, ultimately, your station in life. That's why making a bad deal can be so hard to live down.

It's possible you did everything right. Sometimes, bad deals just happen, even to the best. But more often than not—and whether or not you're big enough to admit it—you probably had something to do with it. Don't avoid the post-game wrap-up. It's the only way to shave strokes off your score. Ask yourself the tough questions: How did you contribute to the problem? Did you miscommunicate? Did you forget something? What will you do differently next time?

It's important to think deeply and introspectively. Why did you make the mistakes you did? Were you too arrogant to ask for help? Were you too easily cowed by this opponent? Were you too greedy? Did you let things get too personal? If you can, find a good friend to help you debrief.

37. Get Tough

Toughness is partly about your game face, but it's also about technique. When you're called on, or choose, to take the hard line, here are some ways to strengthen your game:

- **Don't talk too much.** Be terse. The less you say, the less you reveal about your own position. The less you say, the more you can listen for weaknesses or opportunities.
- **Be stingy with your concessions.** It can really grind your opponents down. If you must give, give just a little, and get something back in return—even if it's their agreement to take an issue off the table.
- **Be firm.** No means no. If you don't want to give a point, make your opponents feel like they just hit the wall. You will not be perceived as a jerk, so long as you offer a plausible explanation for your position.
- **Keep things moving.** Don't let your opponents backtrack on you. Once an issue is settled, it's settled. Be supremely efficient and businesslike. Your opponents must feel that your time is precious and that you do not suffer fools at all.
- **Stay focused.** In detailed negotiations, mental stamina is a tremendous asset. Victory goes to the dogged. The last person standing at the bargaining table is the one with the greatest power of concentration.

38. The Ugly Side of Negotiation

For whatever reason, deal making often brings out the ugly side of commerce. At the drop of a hat, parties polarize, one side vilifying the other. Principal players are overcome by fear and greed. Egos clash as the insecure become blustery, then arrogant, then insufferable.

Problems like these are unavoidable. As with medicine, early screening and detection are key. What vibe do you get from your opponent at first contact? Of course, some will fool you, but your gut is often smarter than you are. Watch for goofy or unreasonable demands early on. Listen carefully to what their own professionals say about them—and especially look for that omnibus euphemism "difficult personality."

Think of difficult negotiations not as a hassle but as a challenge. The experience will only make you better at handling others, but better at handling yourself. Don't become distracted by your opponent's antics, however outrageous. Stay focused on your goals and on the actual issues. Don't escalate hostilities, lest you get caught in a senseless cycle of verbal violence. Let it roll off you. After all, it's not about you; it's about them. You should also remember that "craziness" can be feigned as a tactic to manipulate you. If that's the case, consider calling your opponent on it, whether tactfully or bluntly.

39. Getting Your Fair Share

Whether it's a commission, a participation, a royalty or equity, when deal makers talk about taking "a piece of the action," they usually mean some kind of percentage. It may sound simple, but in the real world, cutting someone a fair slice is not. Here are some things to think about:

- **Is it justified?** Percentages can mean big upsides. Reserve these rewards for those who really bring value to the table—usually the people or companies that are key to the venture, or those taking an unusual amount of risk.
- **Would an hourly rate or a flat fee be less expensive than a percentage?** This is a common theme when professionals are involved. If they'd perform the same service either way, run the numbers to see which is better for you.
- **What's the percentage based on?** Is it on everything or just a part? Is it on gross or net? If it's net, what comes off the gross to get there? Make sure you understand how a percentage is calculated. Crunch some numbers. If your opponent has any skills, he's good not only at counting the beans, but also at hiding them.
- **Is equity involved?** Stock is complicated, so you must get professional help. The formalities are legion, and the pitfalls nasty. The actual number can mean little without taking into account voting rights, classes of stock, buyouts, vesting schedules, conversion rights, registration rights, dilution and the like.
- **For how long is it payable?** Certain deals can go on for years. That percentage income stream can be well-deserved passive income or a total boondoggle, depending on who is getting it and why. Ask yourself: Should these payments go on forever? If not, when do they stop?
- **Who's rushing me?** The percentage players in a deal often have a strong incentive to close quickly. No deal, no percentage; and the faster they get there, the better. This is a

predictable current in many negotiations—it's up to you to swim with or against it.

40. Overcoming Your Resistance to Negotiation

An entrepreneur who doesn't like to negotiate is like a chef who doesn't like to handle knives. Bargaining ability is a key business skill. If you resist learning and using it, you have a serious deficit—not just at the bargaining table, but also in life.

Some people feel it's degrading, like they're begging the other side for scraps. For a few, the problem is systemic. These are the pathologically shy, who wilt at the prospect of any kind of confrontation—they can't get to yes, and they can't just say no. For most people, however, the problem is not about some organic weakness in their psyches. It's the natural awkwardness of facing a new opponent or a new situation. The solution is simple: Learn and practice new skills. Ask a colleague to coach you. Thumb through one of the many good books on negotiation. Take a seminar. Bring someone along to pump you up or step in if you get stuck. Make an ongoing commitment to become a better negotiator. Even the average consumer can save many thousands of dollars over a lifetime if he or she has a few good moves at the bargaining table.

Tax Tips

41. Off to a Good Start

One of the most aggravating aspects of being in business is taxes—understanding them, keeping up with them and, worst of all, paying them. But there are some things you can do as a new business owner to make the process a little less painful, including these four tips:

1. **Understand the various taxing entities.** All levels of government—local, state and federal—impose taxes. Be familiar with the requirements of each.
2. **If appropriate, preserve your independent contractor status.** If you operate as an independent contractor, protect that status by using written contracts and controlling how and when you do your work.
3. **Keep good records.** Good records help avoid trouble with the IRS and give you an accurate idea of how your business is performing.
4. **Understand what's deductible and what's not.** A deduction is an expense or the value of an item that you can subtract from your gross income to determine your taxable income and reduce the amount of tax you pay. Even if you have someone else prepare your tax returns, take the time to learn what you can deduct so you keep the right records and file an accurate return.

42. Before Midnight

Take steps to increase deductions. The larger the number of deductions you claim, the smaller your taxable income will be and the less taxes you'll owe. One of the best ways to boost deductions for cash-basis businesses is to pay as many of your business expenses as possible during this year. With the cash method of accounting, income is taxable when you receive it, and expenses are deductible when they are paid. To beef up those deductions, stock up on business supplies or get equipment or vehicle maintenance done in November or December if you planned to incur these expenses in 2004 anyway. You also will want to consider prepaying some deductible business expenses, including any rent, taxes and insurance due on the first month of the new year.

43. Seven Deductions to Consider

Here are seven major opportunities to make your life tax-deductible as an entrepreneur:

- **Your home:** As a small-business owner you may qualify to take a home office tax deduction if you use your home office regularly and exclusively for your business.
- **Your car:** If you use your car in your business, you can deduct the costs of operating and maintaining your car. However, you can only deduct the portion of your car that pertains to business only.
- **Your equipment:** You can convert personal assets into business assets by contributing them to your business. You can do so by giving them to your business either in exchange for a loan document or as contributed capital.
- **Your travel and entertainment:** Travel expenses are expenses you incur for your business while away from home. You are traveling away from home if both the following conditions are met: (1) your duties require you to be away from the general area of your "tax home" substantially longer than an ordinary day's work and (2) you need to get sleep or rest to meet the demands of your work while away from home.
- **Your retirement:** You may qualify to participate in certain retirement plans that are available to small-business owners, depending on certain factors, such as your business's form of organization, other retirement plans in which you already participate, your earned income and whether you are functioning as an employer (owner) or an employee of your business.
- **Your family:** As a small-business owner, you have an opportunity to hire your spouse, children and even your parents as a way of minimizing your family's tax burden.
- **Your self:** As a small-business owner, you are able to take advantage of tax-free owner benefits. This allows you and your family to enjoy benefits that are paid by your business and that are also tax-deductible to the business—the best of both worlds.

44. Home Sweet Home

There are three ways a small-business owner can consider qualifying for a home-office deduction: (1) If the business is operating as either a sole proprietorship or as a one-member Limited Liability Company (LLC); (2) if the business is operating either as a partnership or a multimember LLC, electing to be taxed as a partnership; or (3) when the owner of the business is also considered an employee of the business—as in the case of C and S corporations or an LLC, electing to be taxed as a corporation.

The next consideration in qualifying to take a home-office deduction is that you must be using a portion of your home for your business, and be doing so on both a regular and exclusive basis. The final element in qualifying is that this home office is your principal place of business—used regularly and exclusively for business, and that you have no other fixed location where you conduct substantial administrative and management activities of your business.

45. Be Tax Smarter

Though the tax code is complex, it's not impossible for the common entrepreneur to use it and take the best advantage of it. Here are three important considerations for your business expenditures that can help you get the best return possible at tax time:

- **Match allowable ordinary and necessary expenses of your business for each tax year against taxable income.** Ordinary and necessary business deductions include all the expenses that are required to operate your business, including: accounting, legal and bank services, office expenses, your car, equipment, travel, entertainment, retirement, wages and salaries, employee benefits, marketing, insurance and payroll taxes.
- **You must allocate expenditures between personal and business use.** An

expenditure does not have to be either entirely deductible or nondeductible, i.e. business or personal. The personal portion is not tax-deductible; however, the business part is fully tax-deductible as a business expense.

- **Avoid the IRS's "hobby rule."** You are presumed by the IRS to be in business with the intent to make a profit. If you do not show a profit in three out of five years, you may be required to demonstrate and defend the fact that you are operating with the genuine intent of making a profit.

Improving Professional Relationships

46. Keep in Touch

In order to maintain good relationships with your banker, and other partners and providers, you must take the initiative. Try these three steps to keep in touch:

- Make an appointment to deliver and briefly review the current state of your business, as well as a brief history of your company and current business plan. Be responsible for educating them about your industry.
- Identify shared personal interests or values. Become a good business acquaintance. In conversation, be candid; never make false claims or exaggerate.
- Never surprise anyone with bad news. If things are not going well with your company, give everyone plenty of warning.

47. Supply and Demand

Be open, courteous and firm with your suppliers, and they will respond in kind. Tell them what you need and when you need it. Have a specific understanding about the total cost, and expect delivery on schedule. Keep in constant communication with your suppliers about possible delays, potential substitutions for materials and product lines, production quality, product improvements or new product introductions and potential savings.

48. Finding a Good Insurance Agent

Too many entrepreneurs treat finding an insurance agent like going on a blind date. They randomly contact an agency, and then an agent is assigned to them. If coincidence played a role in the way you were matched with your agent, it might be high time to take stock of that relationship and start looking for a new one.

How do you decide whether your agent is meeting your needs? Ask: Does your agent have expertise in your industry? Is he or she up on the latest in commercial insurance? If not, don't be afraid to switch. The best insurance agents ask a lot of questions about the operation of your business—and they ask them often. To see whether your agent knows enough about your business, turn the tables and interview the agent. Ask general questions, such as: Can you recommend any new coverage? Does your company provide evaluation services? Why is this the best carrier? Have you asked me everything necessary to cover my exposures?

49. Bank on It

Bankers aren't in the business of better on your dreams or predictions; they are in the business of loaning secured money—money that is backed by both your personal guarantee and hard assets. Your banker has to answer to his boss and explain why he loaned you money, how you are going to pay it back and why you are a good risk.

The more your banker knows about your business, the more value you are going to get from the relationship. Create regular state-of-the-company status reports to share with your banker.

This documentation can help him provide you with better service, aiding him in making quicker decisions about your business. The better tabs your banker has on your business can also help him give you better advice and maybe keep you out of financial trouble.

50. In the Loop

Your banker, attorney and accountant each have the ability to drastically influence the success of your business. The most important thing you need to do is nurture your relationships with them. The more they know about your business, and the better you know them, the more value you'll receive. Develop that close, long-term relationship, and you'll have someone you can depend on in your corner. When you hit the inevitable bumps in the road, they'll be there to help you.

Being a Better Boss

51. Never Stop Learning

In most companies, training and information flow downhill and not uphill. Over the next decade, successful companies will bring the knowledge economy full circle by making sure knowledge flows up, down and sideways. Smart entrepreneurs "hire up," meaning they hire people who bring the latest skills in technology, sales, accounting and other fields.

How can you create a "learning up" strategy? First, managers need to acknowledge that they can learn from rank-and-file employees. Then make continual learning a part of your hiring process. Ask management candidates how comfortable they are learning from employees.

Remember, there's no way you or your managers can be an expert in every area of your business, so don't be afraid to take advantage of knowledge wherever you can find it, even if it comes from lower-level employees.

52. Why Recognition Is a Must

Most entrepreneurs don't consider recognition a central part of their management practice. Below are three reasons why you need to take the time to recognize the good things your employees do:

- If you recognize and make a bit of a fuss about the good things employees do, then you'll find yourself spending a lot less time worrying about the bad things they do. It's far easier to lead people to improved performance by thanking them when they do it right than giving them grief when they do it wrong.
- Praise and recognize your star performers. Spotlight role model performances and role model employees. This makes them feel good, encouraging them to stay on board and keep trying hard. And it gives everyone a bit of inspiration and a clearer idea of what you want employees to shoot for.
- Recognize good effort, not just results. When employees have a tough week, throw a mini party for them. Write personal thank-you notes to employees. Recognizing effort has a bigger impact than giving a prize at the end of the race.

53. Full Speed Ahead

Business owners and managers know they need good bottom-line results but sometimes it's hard to remember what each person in the organization needs to do to accomplish the desired result. Try these three tips to keep your company moving forward:

- **Ask employees what information they need.** Use one-on-one opportunities to ask

each employee if they have any questions about their work, what to do or how to prioritize.

- **Make sure employees share information with each other.** In staff meetings, make a special point of asking each person if they have any information that other staffers may not be aware of. The manager running the meeting can get a lot more information out on the table by simply asking this question.
- **Make a point of sharing feedback about the work and why it matters.** This gives employees a clear "line of sight" from their daily tasks to the big-picture reasons for them. It adds meaning and purpose, and keeps the workforce looking forward and moving in the right direction.

54. Trust Me?

Good communication is grounded in trust. No matter what people say, if they're not trusted, they're not believed. Therefore, in order to have good communication in an organization, you must make sure you do what you say you're going to do. People who do are trusted; people who don't are not.

In the name of keeping people informed, many executives tell employees about things they intend to do that don't happen, often eroding employee trust. Consultants often recommend organizations actually communicate less often as a step to improve trust, instructing employers to tell people only those things they have complete control over and know will happen as they say they will.

If managers do what they say they're going to do the majority of the time, employees will give them some leeway if a mistake is made. When trust is high, communication can be more relaxed and casual, but when trust is low, people won't give you the benefit of the doubt, no matter how good your intentions.

55. Show You Care

Here are some tips and tricks you can use with your employees to demonstrate great leadership skills. You'll create trust and loyalty by consistently showing your employees that you care about them and the work they do.

- **Be visible.** Walk around the company—avoid hiding out in your office all day. If employees don't see you during the day, they can feel ignored or demoralized.
- **Celebrate victories.** Set small and attainable goals every few weeks or months for your employees. It's easy to bring in cake and soft drinks to reward outstanding performances.
- **Encourage friendships among coworkers.** Encourage interaction by giving your employees the chance to share their talents with other employees within your office. For example, if someone in your company plays chess and would be willing to teach chess to others who are interested, allow them to promote their skill and give them a place to teach those who'd like to learn.

Put Your Business in the Media Spotlight

56. Throw a Party

Hosting an event for your business or at your business can be a fabulous way to garner publicity. The event can take the form of an open house, a ribbon-cutting ceremony, a seminar or a guest appearance by a celebrity, political official or someone else of significance. Once you decide that you are going to have an event, there are a few things to do to get even more bang for your PR buck.

- Let your target market know you're having an event. An announcement can be made first with a press release to publications that reach your target market. Hand out fliers at your place of business, with customer orders and at any networking sessions you attend to get the word out about your event.
- If you are having a speaker or another guest of honor, a separate press release announcing the appearance of that person can be issued.
- Invite the media with handwritten invitations. Just like a party, invite the people you want to attend. Send invitations to the media, your customers and important prospects, friends and family.
- Have plenty of press kits available to pass out to those attending. Pass them out not only to the media representatives, but also to your guests. Customers and prospects should receive any and all press releases that you issue.
- Include in the press kit a frequently asked questions list about the company, person, product or service written in interview form. This makes it easier for radio and TV people to interview you or pick a few questions for press.

57. Write Your Way to Free Publicity

One of the most cost-efficient means to get your message out is to write articles for magazines, trade journals, web sites and newspapers that reach your target clients. Even if you have average writing skills, if you can propose compelling article topics that solve problems for readers, then you'll find editors who will publish your ideas. Here are four factors that make published articles a powerful vehicle to boost your business to the next level. Published articles will:

- **Position you as a leading expert in your field.** The value of your knowledge hinges on how well you're recognized by the public as a qualified expert. A published article communicates that you are indeed an expert because your knowledge and ideas merit publication.
- **Convey a sense of third-party endorsement.** If a trade magazine is willing to devote valuable space to print your article, then what you say must be important, right? At least that's the assumption readers subconsciously make.
- **Become marketing tools that sell long after the shelf life of the magazine.** There are myriad ways to squeeze promotional value out of each article beyond its impact on the newsstands. You can leverage article reprints to enhance your direct-mail campaigns, networking efforts, sales presentations, e-mail marketing, press kits and web site content.
- **Lead to additional PR opportunities.** Reporters and editors want to interview industry experts to support their research. When you write and publish articles on a consistent basis, you'll be able to attract more inquiries from the media and get your company written about more often.

58. Get Ready for Your Interview

The key to a successful interview is preparation. Since the chief motivation of most interviewers is to get information or create programming that's of special interest to their

readers, viewers or listeners, it's your job to provide relevant content while at the same time weaving in your own principal PR themes.

To ensure your company's central message doesn't get lost, create a PR platform you can rely on as the basis for all interviews. This platform will be particularly useful if there is more than one person in your company who may be interviewed by the press, because it will guarantee consistent messaging.

What are the key messages you want to convey about your company, its products or services? Take a look at your advertising, brochures and web content; and identify up to three primary themes or copy points. Then weave them into a one-paragraph platform. Don't forget, your task is to create a PR platform that conveys your central themes in a way that also meets the needs of the audience.

59. Contacting the Press

Always begin by creating a "press list." This is a list of media that reach large numbers of your target audience and are looked to as reputable sources of information. Then select different media from your press list to receive various types of stories.

Before you decide what type of information to send, get copies of each publication to learn what kind of information will be most relevant to that publication's readers. For example, if your firm wins a local award, your release may be of interest to your hometown newspaper. But if you invent a breakthrough medical product, you should target general-business, consumer and medical trade press with your story.

To keep your press release from being lost in the hundreds or thousands of releases editors receive each week, take the time to research the name of a specific editor, news director or journalist to receive it. If you've become familiar with the newspapers, magazines and broadcast news stations you're targeting, it will be easy to identify the individuals who typically handle stories like yours.

60. Why Press Releases Are King

It's a well-known fact that a company's visibility will increase with powerful publicity. After all, publicity aims to bring the news of your company to the world. And the most important tool you can use to accomplish this is the press release.

What exactly should be covered in a press release? Think along the lines of "newsy" and interesting topics. Examples include: your online presence; important information and tools regarding a change in management or the business components you offer; special information that can be obtained online; the announcement of articles, events and appearances; relevant worksheets, tips and techniques; and so on.

When writing a press release, your goals should be uniqueness, timeliness and top-of-the-mind awareness. Once you achieve publicity and visibility, both your company profile and your client and prospect levels will rise. One successful story about your company resulting in free publicity is advertising worth hundreds and thousands of dollars.

Get Your Business Organized

61. Get Others Organized

You may have this organization stuff down pat, but what about your business partners,

spouse or business associates? No matter how neat you are, the disorganization of others can impact your business. Try this to bring a little more order into the lives of those around you:

- **Use positive reinforcement.** Instead of focusing on other people's disorganization, praise them when they make an attempt to get organized. They know they're disorganized and don't need to hear your criticism.
- **Teach by example.** You can't expect someone to listen to you extol the virtues of organization when you're a mess yourself. If you've changed your style from disorganized to organized, be willing to share the secrets behind your transformation.
- **Be patient and realize everyone is organized to a different degree.** Keep in mind that if someone changes one bad organizing habit, his or her productivity will start to increase. Give that person time to make changes and offer encouragement when he or she makes an effort to get organized.

62. Bit by Bit

Organizing projects are best done one piece at a time. Follow these tips to whittle down each step in your process:

- Determine the main areas you need to organize, and enter them on a list in your daily planner, handheld or contact manager.
- Break these areas into smaller tasks, and enter those tasks on the list. Make the tasks small enough that they're manageable but not so small that they're insignificant.
- Put a realistic deadline next to each task.
- As you accomplish each task and organize various areas, remove the task from your list.
- Avoid the tendency to bounce around your office from one area to another while organizing. When you focus on one area, you'll be able to accomplish more.

63. Clean Out Your Drawers

If you're buried under a pile of papers and your drawers are filled with more napkins, pen caps and sugar packets than usable office supplies, it may be time to clean out your desk. But where do you begin? Here are five steps to help you de-clutter your desk drawers:

- **Remove.** Whatever your situation, the first step is to remove everything—take out all the pens, pencils, clips, sugar packs, tea bags, photos, keys and dried-up candy.
- **Sort.** As you remove items, sort according to like items. Sorting shows that you have 87 pens and 830 clips. Ask yourself, "Do I really need so many?"
- **Eliminate.** After you've discovered that 54 pens don't even work, or that the sugar packets are rock-hard, then you can eliminate the items directly into the trash or into a box labeled "to go elsewhere."
- **Contain.** Stop and think—if you put all that stuff back into the drawer, it will soon be a jumbled mess again. Instead, keep those groups sorted and separated at all times by first containing them. If you put each group in a drawer divider or shallow box before placing them back in the drawer, they'll stay in one place.
- **Assign.** Don't just stick the containers in the drawer. Assign them a place. Unassigned items simply float from place to place.

64. Write It Down

Experts recommend entrepreneurs employ not one but two to-do lists. The master list contains a maximum of three items of long-term importance, like "grow sales" or "get new customers." The second list contains day-to-day to-dos that represent tactical steps to

completing those strategic to-dos.

Once you have your lists written, categorize all items, tagging them as projects, phone calls, errands, agenda items, work to be done at your computer or desk, things you can do anywhere, and items that aren't urgent.

Review your list items frequently to see if items are listed correctly and should be there to begin with. Working over your list in advance daily and weekly means that, when you consult your list, you don't have to rethink your commitment and your plan right then.

Don't forget to cross things off once you've completed them. Checking off your to-do list not only keeps you organized, but also shows exactly how much you've accomplished.

65. Get in Control!

To work productively and efficiently, you need to create a work environment that supports you. Regain control of your work life by following these steps:

- **1. Create your vision of a clean work environment.** Using your existing office space, sketch the ideal configuration of your office on paper. Remember to create a space for your old project files, financial statements and client information.
- **2. Take one day, right now, and organize.** You will never have the time to organize unless you schedule it on your calendar. Using your sketch as a guide, go after your mess.
- **3. Unsubscribe from information overload.** Throw away the magazines and catalogs you will never read—they just sit there and taunt you. Cancel unwanted subscriptions, and get off any mailing lists that do not help you achieve success.
- **4. Create a new project file folder.** A new project usually generates a temporary mess. To avoid spillover, put all new project information, drafts and associated paperwork into an expandable file folder.
- **5. Schedule one cleanup day after every vacation.** Add one day to your vacation to organize your thoughts, projects and priorities. A cleanup day lets you organize paperwork from previous projects, pay outstanding bills and answer client mail.

Take Your Sales Skills to the Next Level!

66. Dust Yourself Off

There isn't a salesperson alive who hasn't experienced a slump. If you find yourself coasting downhill, here are four steps to follow to pick yourself back up:

- **Call on your satisfied customers.** Look for additional ways to satisfy their needs or new needs you can meet. Learn about their new problems and challenges, and come back to them with fresh solutions.
- **Concentrate on bread-and-butter accounts.** Different accounts have different sales cycles, with some taking up to a few years. Sometimes, you get so caught up with landing big one that you forget about little accounts with shorter sales cycles that can bring in money now.
- **Stay on top of business and world news, and how these events might affect customers.** Look for sources that will give you new ideas on how to fine-tune your activities and target your customers more efficiently. Read materials that will help you speak to your customers in their language. Learn more about how other people grew their businesses.

- **Be selective about the company you keep.** If everyone around you is in a slump as well, you'll drag each other down. Surround yourself with people who are excited about what they do and ride on their momentum until you can build your own.

67. How'd I Do?

How can you improve if you don't find out where you went wrong and what you did right? Always ask for feedback. If you want to improve your sales presentations or your relationships with customers, ask them what you need to do to maintain and increase their business. While a great learning tool, asking for a customer's opinion is also a good way to show customers you care and are willing to work at solving problems. Asking for feedback can also save a customer relationship. While dissatisfied customers don't always complain, they very rarely buy from you a second time.

68. Listen Up!

One of the most important things you can do to become a better to seller is to become a better listener. You should be listening at least 50 percent of the time.

Improve your listening skills by taking notes, observing your prospect's body language, not jumping to conclusions and concentrating on what your prospect is saying. Also, track how much talking you're doing. If you're talking twice as much as your prospect, or more, it's time to take the backseat and listen.

69. Learn From Your Mistakes

While there's no way to completely avoid making mistakes, there are still plenty of ways to get the most out of the mistakes we do make. Here are three methods to deal with your mistakes:

- **Put your ego aside.** It's easy to get angry or frustrated when things don't go your way, and hold on to the idea that it's someone else's fault things went wrong. But there's only one way to find out what the problem was—ask the customer. Listen to what they have to say and see if there's still time to save the sale.
- **Use a setback as a setup for future success.** Let your errors be the motivation for making improvements the next time around. You've put in a lot of time and effort—and if you don't learn from what went wrong, all that time is wasted.
- **Take a proactive approach.** Read everything you can about your profession, industry, products and services. Meet with people who have particular skills and talents and share information with them. Keeping your mind fine-tuned helps you eliminate making future mistakes.

70. What Not to Do

To sell smarter you need to eliminate all those things that waste your, and your customer's, time. How can you work more efficiently? Try steering clear of these time-wasters:

- **Dealing with people who can't make the buying decision.** Make sure the person you're speaking to is a decision-maker. Don't be afraid to call the higher levels, even the president of your target company.
- **Working without a priority list.** Make a top 10 list of your biggest accounts and a top 10 list of your biggest prospects. Look at this list every day to keep yourself focused so you can spend your energy on getting the best return on your investment.
- **Relying on technology rather than on relationships.** Sales are made from

relationships, and it's difficult to establish relationships on a computer screen. Keep e-mails short—remember they're great for passing information but can never take the place of one-on-one communication.

Protecting Your Business

71. Preparing for the Worst

In case of an emergency, such as a flood, fire or earthquake, it's tough for even the strongest of us to keep a level head. So why worry about what's going to happen to your clients, contacts and important documents in the heat of the moment? Why not start planning for disaster now? Here are four things to think about:

- Business-interruption insurance and records reconstruction are good policies to look into. Although disaster insurance can be costly, it may also be worth checking out.
- Be sure to back up all your crucial data and keep those files off site in a safe place. And be sure to check on them from time to time.
- Make copies of important paperwork such as customer contracts, employee information and legal documents, and keep those off site as well.
- Make sure that each of your outside vendors also has a disaster plan in place. You don't want your business adversely affected because one of your vendors hasn't planned ahead.

72. Peace of Mind

Just as you wouldn't drive a car without insurance, it's best not to open a business without some type of coverage. So where and how do you begin? Just follow the steps below to get your business covered.

- **Find an agent.** Locating an agent to help you identify the right insurance at the right price should be a high priority for every new business owner.
- **Types of insurance.** After you decide on an agent, sit down with him or her to consider what types of insurance you may need. These might include property, liability, auto, workers' compensation and business interruption insurance.
- **Research your options.** As with any buying decision, comparison-shop insurance policies and coverage and make sure you understand what you're comparing.

Lastly, here are some general rules for insurance coverage:

- Consider buying a combination policy that covers both property and liability coverage. This could save you some money.
- Look for a small-business insurance package that includes a full range of coverage. This is often much cheaper than buying coverage from several different companies.
- See what your trade or professional association, chamber of commerce or other business association offers for group insurance coverage. The buying power of a large group may mean lower rates for you.

73. Why Can't We Be Friends?

You just lost one of your employees—does that mean clients are soon to follow? It could if you didn't make employees sign a noncompete agreement.

So what is this magic contract? What does it do? Who should sign it?

A noncompete agreement is a formal contract between you and your employees in which they promise not to use information or contacts pertinent to your business in a competing situation. This could mean going to work for a competitor or starting a competing business of their own.

Which employees should sign noncompete agreements? While the prerequisites vary from business to business, the following is a good general list. (The term "employees" in this list represents executive level, management, supervisory and non-management personnel that are relative to that example.)

- Employees involved in research or product development.
- Employees involved in the design, fabrication, engineering and manufacturing process.
- Employees who service products made and sold by your company.
- Sales and service employees who have regular contact with customers or sensitive customer information.
- Employees with access to sensitive business information or trade secrets.
- Most importantly, employees who have sufficient information about your business that would allow them to start a competing business.

74. Get It in Writing

If you're doing business with someone, whether as a client or a provider, you're going to need a contract. Ideally, you'd have a top law firm at your disposal to hammer these things out for you, but the reality for most entrepreneurs is that they have to do these things themselves.

So what should a contract say? Here are the essential elements of a business agreement:

- **The parties to the agreement.** In other words, your business name and the name of the other party, whether that's a customer or a vendor.
- **What each party is going to gain from the agreement.** This is referred to in legal vocabulary as consideration.
- **The main terms of the contract.** For example, what each party is promising to do. Obviously, it's extremely important that this part of the contract be very specific and include such things as the work to be performed, the price to be paid for the work, how and when payment will be made, when the work will be completed, how long the contract will be in effect, and whether either party is "warranting" anything.
- **Execution.** Be sure both parties sign the contract and that the person signing (if he or she is representing a company) has the authority to sign.
- **Date.** This is the date the contract is signed.
- **Delivery.** Make sure each party receives a copy of the final signed agreement.

75. It's the Thought That Counts

Assets such as intellectual property, trade secrets, pricing formulas, customer lists, business plans, recipes and the like are typically the foundation upon which a company is built in a business world full of copycat competitors.

Here are five ways to protect the ideas, designs and plans that make your business unique:

- **Patents, copyrights and trademarks.** These are legal filings that document your ownership and create certain legal protections to help you protect your property. Have your attorney assist you with these applications.

- **Confidentiality or nondisclosure agreements.** These documents commit a party to keeping specified data and information confidential and out of the hands of unintended parties. Always consult an attorney on this.
- **Employment agreements.** These agreements stipulate that all company assets are proprietary and that unauthorized disclosure of confidential information such as pricing formulas, customer lists and other data and information is prohibited.
- **Computer passwords, safes and locked file cabinets.** When used properly, they can restrict access to proprietary information.
- **Data backup.** Back up everything that is important. Digital documents should be backed up on a server that's in a different location or on a zip disk or CD that's kept offsite along with copies of important physical documents. Absolutely do not attempt to store anything important in your head.

Who Should You Be Marketing To?

76. The Military Market

The armed forces are a massive market, says Christopher Michel, president of Military.com, a San Francisco-based military affinity marketing company that connects public- and private-sector clients to military audiences. With about 3 million active armed forces members and reservists, he estimates the tangential markets of veterans, family members, defense workers and the like to be as high as 50 million.

Serving the special needs of this mobile, family-oriented audience is one way to get their attention--and their dollars. Training companies (which may qualify for reimbursement through military education benefits) as well as relocation services, financial consultants, consumer goods shops and furnishings retailers are some businesses that are a natural fit, says Michel.

Saying you're patriotic is all well and good, but lip service isn't going to cut it. Michel counsels his clients to back up "thank you" with some sort of discount or tangible benefit, such as a free gift, or even going beyond the call of duty and hiring veterans or support reservists to work in your company. And the best way to reach this market, says Michel, is word-of-mouth. Because of the close communities on many bases, people talk to each other about companies that support military members, so the word spreads quickly.

77. The Hispanic Market

Some 38.8 million Hispanics live in the United States, according to 2002 Census Bureau estimates, and their influence is huge and growing. Hispanics control about \$653 billion in spending power, and that number is expected to top \$1 trillion by 2008, according to the Selig Center for Economic Growth at the University of Georgia in Athens.

Entrepreneurs can find numerous niches in this vast market. Populations of Americanized, predominantly English-speaking second- and third-generation Hispanics are on the rise. This group wants to be marketed to as part of the mass market--not as a separate entity, says Luis Garcia, president of Garcia 360°, an advertising firm in San Antonio, Texas, specializing in the Hispanic market. So speak to cultural differences subtly in your marketing messages (for example, cast a Hispanic family in ads--complete with grandparents in the home, which notes the large family influence). Consider using Spanglish, English mixed with Spanish words or phrases, to communicate to this market. Don't be superficial, though: Garcia recommends getting into grass-roots campaigns by sponsoring Hispanic community events or charities.

Opportunities exist in nearly every industry segment--from food and entertainment to

financial services and Web services. Adding new flavor lines to existing food products, for example, is one way to enter this market. Or partner with a manufacturer in a Latin American country to distribute its products here in the United States.

78. Boomers

Baby boomers—the 80 million Americans born between 1946 and 1964—have a lot on their minds these days. Their kids are going off to college. They're watching wrinkles and stubborn pounds pile on. They're worried about retirement after losing \$8 trillion in the stock market. And their parents are passing away, leaving some boomers with inheritances to manage.

Their life changes can be your gain. Boomers comprise half of the \$7 trillion in consumer spending every year, says Ken Gronbach, president of KGC Direct LLC, a Higganum, Connecticut, company that specializes in generational marketing. The key to capturing boomers will be helping them feel comfortable with themselves--because their worst fear is turning into their parents. Aging "is very painful for them," Gronbach says.

Boomers will spend whatever it takes to boost their confidence, feel more secure and recapture their youth. Opportunities abound in retirement and financial planning, spa and fitness, comfortable clothing, motor homes, luxury homes, low-maintenance pets and classic cars.

79. Seniors

For many seniors, the golden years represent a period of relaxation--a breath of fresh air after a lifetime of work and responsibility. For today's entrepreneurs, meanwhile, the golden years also mean a golden opportunity. Visible on the horizon is an unprecedented demand for senior care and other senior services. During the next 30 years, the number of people 65 and older is expected to double, and the number of people over age 85 will triple, according to James Firman, president and CEO of The National Council on the Aging. "There will be a huge expansion in the need for services to help people stay at home or in whatever facilities they're in," he says. The senior-care industry will "definitely be a major growth industry."

According to Steve Barlam, president of the National Association of Professional Geriatric Care Managers, 60 percent of those seeking a care manager's services are managing their parents' care from a distance, while the remainder live nearby but don't have time to handle all the arrangements. In other cases, there's a conflict between family members, and an objective third party is needed. This translates into a growing need for products and services to help this "sandwich generation." These can range from providing senior day-care centers to in-home care services, companionship and even in-home beauty services.

80. Women

Marketers of any product or service can adopt a service philosophy that delivers the product design elements and customer service that women want. Once you translate these expectations to your market niche, you'll win the hearts and pocketbooks of women.

Women's earning power is escalating: They comprise over half of all college students and about 38 percent of small-business owners, according to 2002 figures from the Bureau of Labor Statistics. A February 2002 study by Prudential Financial found that, of the 400 American women surveyed, 37 percent live in households with incomes of \$50,000 to \$100,000, and 12 percent live in households with more than \$100,000 in annual income.

Nearly half of adult women are solely responsible for saving money for their households.

So what can you do to make sure you attract women to your business? Try these tips:

- Get the little stuff right, and the big stuff will take care of itself. Women develop a collage of impressions about a business from a hundred small factors. Everything from its cleanliness to the design of the shopping bag gets a woman's attention. Smart business owners turn this to their advantage by investing in small amenities women can appreciate.
- Women have so many work and family responsibilities, they don't have time to research and ponder every buying decision. Offering carefully selected choices will have women choosing your business over an overwhelming A-to-Z plethora.
- Whether buying for themselves or for the businesses they own or manage, women make final purchasing decisions based on their relationship with the seller, not on statistics and quantitative data. Given a choice between two nearly identical products, women are likely to decide based on customer service and the ongoing relationship with the vendor.

Work/Life Balance

81. Chill Out

Unfortunately, building a business doesn't come easy. There are tough choices to make, a million things to do, and stress, stress, stress. Before you pull your hair out, take a deep breath and try these tips for reducing your stress:

- **Create a master list of goals.** Break your larger goals into realistic short-term goals, and break short-term goals into realistic steps you can take immediately.
- **Remember, happiness is your end game.** Instead of stopping when you become frustrated, simply decide on the best action you can take, and take it.
- **Evaluate and learn from your actions.** At the end of the day, congratulate yourself for what you've accomplished, and let go of what you have not.
- **Realize you don't have to do this alone.** As you grow your business, many tasks become routine and can be accomplished by someone else. Develop a list of these tasks, and delegate them so you can concentrate more on growing your business.

82. Get Out of Town

Everyone needs a break, even entrepreneurs. But if you're just not comfortable leaving your business in someone else's hands for a few weeks while you sip cocktails on the beach, take baby steps. How about a mini-break? For some business owners, it's easier to get away if they think of their trip as a long weekend rather than a full-fledged holiday.

If you do manage to get away, it might still be difficult to leave it all behind. On vacation, set clear limits on how long you'll work—if at all. Remember, you need to get away from the office, not bring the office with you. So schedule your vacation time, delegate what you can and just go.

Here are some easy ways to make your vacation dreams into a relaxing reality:

- Vacation during the slowest time of the year.
- Take three-day weekends as mini-vacations.
- Discover new, fun activities close to home.
- Turn off that cell phone and leave the laptop behind.
- If you must work, limit it to just one hour a day.

- Throw caution to the wind. Just go!

83. On the Home Front

For homebased entrepreneurs, making the distinction between home life and work life is the most difficult because work takes place in the home. To maintain the stability of your home life, and, possibly, your sanity, follow these seven tips to keep your office from completely invading your home.

- Clearly differentiate your workspace from the rest of the house.
- Set definite work hours.
- Have a signal that makes it clear when you don't want to be disturbed.
- Learn how to say, "No, I'm working now," and stick to it.
- Use a separate business phone line.
- Soundproof your office.
- Have a separate outside office entrance.

84. Watch the Clock

There are never enough hours in the day. While you can't slow down time or make the day longer, you can make the most out of the 24 hours you do have. Use these five steps to take the crunch time out of your workday:

- **Plan tomorrow today.** At the end of each workday, take a blank sheet of paper and write down everything you must accomplish tomorrow in the order the tasks should be done. The next day, you won't have to decide what to do first, and crossing off the things you accomplish will give you great satisfaction.
- **Learn to prioritize.** All your daily activities can be broken down into three categories. The first, the "A" list, represents prospecting for new business. Next is the "B" list—growing and expanding current business. This includes activities that build on existing relationships and generate more business from current clients. Lastly, there's the "C" list, nonselling activities that include writing reports, proposals, follow-up letters and thank-you notes.
- **Don't waste travel time.** One of the most valuable time-management tools is the tape recorder. When driving, speak into a recorder, dictating notes and reminders of things you have to do. The next best travel tool is your cell phone, which you can use to make or return calls when riding to a destination.
- **Don't put off 'til tomorrow . . .** One time-management expert's favorite tip involves eliminating procrastination. To get his staff ready to go first thing each morning, he suggests they spend 20 minutes on the ride to work listening to motivational tapes and then get started making calls as soon as they get to their desks.
- **Give yourself a break.** Time-management techniques aren't going to provide effective solutions if you don't have the energy to give 100 percent. So take a few minutes and walk around the office or around your building, go out to lunch. The ideas that wouldn't come to you in the office might pour out once you're in a new environment.

85. We're a Happy Family

Even if you're not running a family business, your business still impacts the lives of everyone in your family. So how do you manage to be a good spouse, parent and child while powering your way to the top of the business world? Here are some tips that, while they won't guarantee happiness 24/7, will help harmonize your home and work lives:

- **Call a "family meeting."** Discuss ways you can share the responsibilities of the home,

including childcare, cooking and cleaning. If you and your spouse are reaching your limits, are there other adults in the family—aunts, uncles, brothers, sisters, grandparents—or friends who can provide some help?

- **Don't try to be a superhero and handle everything alone.** Ask yourself, "Is my spouse doing all they can? Are the children pitching in?" Have you divided both childcare and housework in your household?
- **Take advantage of technology.** Stay accessible via cell phones, pagers, e-mail and fax capabilities. If something happens at home, how easily can you be reached?
- **Watch for burnout.** Live by the motto "If I don't take care of myself, I won't be able to take care of another."

Get Involved With Your Community!

86. Encourage Employees to Give Back

A big part of community involvement is giving employees the freedom to do charitable work as well. One simple way is to offer paid time off for volunteer work. Whether it's eight hours a year or 40 hours, your gift of time will encourage their charitable natures.

"At our company, any employee can take off 40 hours a year to do charitable work, so if they want to spend a week to build a house with Habitat for Humanity, we'll pay for it," says Craig Hall, author of *The Responsible Entrepreneur* and owner of Hall Financial Group. "Most times, if companies encourage employees to volunteer, those employees will take them up on it. Now, as a smaller company, maybe you can't be that extreme, but you could allot a smaller amount of time-say, 20 hours-for volunteer work."

87. Create a City Where People Want to Live

As an entrepreneur, the first thought on your mind might not be the health of your city, but it should be. If your town thrives, your business is rewarded with a larger customer base and a better potential work force. Your business then gives back by hiring more local workers and contributing more taxes. And one of the key elements to fostering a healthy city is to attract the creative folks who will start and work in innovative businesses.

The newest generation of workers, says Kip Bergstrom, executive director of the Rhode Island Economic Policy Council, want quality cities and the chance to help build those cities. "By being part of that [building process], entrepreneurs are modeling a behavior that's attractive to their current and prospective workers." For example, members of the Rhode Island Technology Council, a private/public partnership designed to stimulate technology and innovation, have worked hundreds of hours with local secondary schools and colleges to help create a tech-savvy work force.

Donate your time and know-how to help new companies get a leg up. Sponsor arts events. Look into a new location in an area undergoing redevelopment. Join planning committees. You've built a great business; now use that knowledge to help build a great city.

88. Share the Riches of Your Business

Are you interested in doing community work that directly involves your business? Try these ideas:

1. If you're in the food business, donate excess food to homeless shelters.
2. If you're in the music business, arrange for small, free concerts at homes for the elderly.

3. If you're a financial person, offer to give some counseling sessions or seminars at a neighborhood center on budgeting or debt management.
4. If your business provides an infrastructure-related skill--plumbing, electrical, construction and so on--you have ample opportunities to satisfy your community improvement urges by donating your skills to impoverished families or local nonprofit agencies.
5. If you offer professional services like dentistry, tax preparation or attorney services, donate your time to those who can't afford it.
6. If you're a b-to-b service provider--marketing, PR, financial, Web design, IT and so on--offer your expertise to local nonprofit agencies.

89. How to Get Involved

There are no end of good causes that can use a helping hand. Every community--no matter how small--offers scores of avenues for an organization to get involved. Here are just a few ideas that might work for your company:

1. Join an adopt-a-highway program.
2. Offer high school or local college students the opportunity for real-world experience with an intern program.
3. Provide food for the elderly or homeless: Help financially or by serving meals.
4. Sponsor broadcast public-service announcements.
5. Host an American Red Cross blood drive at your place of business.
6. Help with fundraising for any number of good social causes.
7. Get involved with a high-profile telethon for your local public television.
8. Work with a local environmental group to clean up a nearby natural area.
9. Consider sports sponsorships, especially for teams from disadvantaged neighborhoods.
10. Get involved with a walk, bike or run for disease research.
11. Approach a service group in your community and ask them to develop a project for your umbrella sponsorship.
12. Look into mentoring programs for local young people.

90. Why You Should Be a Do-Gooder

By their very nature, small businesses depend more on their local communities than do large corporations. You don't succeed in a community without getting involved. It's good for business, it's good for the community, and, ultimately, it's good for you. To enhance your job satisfaction and enjoyment of your local community, you and your company should become good corporate citizens.

There's a range of rewards for good corporate citizenship, including these:

1. 1. It brings personal satisfaction, since you can really choose the public service arenas in which you and your company will become active.
2. 2. You'll meet other business leaders and get to know them face to face, often outside their normal "business personalities." This interaction can be personally rewarding--and it expands your network of business contacts.
3. 3. You'll keep from being too one-dimensional through your work. If you don't have time for community involvement, you need to make time for community involvement.
4. 4. If you're running your own business, you've likely been luckier than most on the way up. Making your company a good corporate citizen is a way to "give something back."
5. 5. When businesspeople go out of their way to make an impact on the community,

that's news. You may garner positive press coverage for your efforts.

6. 6. You can increase the quality of the people you draw to your company. Your high-minded community commitment will attract other hard-working, like-spirited employees.

Creating True-Blue Customers

91. After the Sale . . .

Demonstrate that you care about the quality of your service. Call customers after a sale and ask them questions like:

- Are you pleased with the service you received?
- What did you like most about working with us?
- What would you like to see improved?

Without this invaluable information, you'll have a hard time improving your products and services. Besides, when you ask customers for feedback and implement their comments, they feel a sense of ownership in what you're doing and thus become more loyal to your products and services.

Additionally, consistently write thank-you notes. This is a no-brainer, but you'd be surprised at how many entrepreneurs neglect to write thank-you notes—especially when they get really busy. Take the time to show your customers that you genuinely appreciate their business. They'll remember your thoughtfulness because most of your competition won't send out thank-you notes.

92. Hey! Remember Me?

Write old customers personal, handwritten notes frequently. "I was just sitting at my desk and your name popped into my head. Are you still having a great time flying all over the country? Let me know if you need another set of luggage. I can stop by with our latest models any time." Or if you run into an old customer at an event, follow up with a note: "It was great seeing you at the CDC Christmas party. I'll call you early in the New Year to schedule a lunch."

Also, remember special occasions. Send regular customers birthday cards, anniversary cards, holiday cards...you name it. Gifts are excellent follow-up tools, too. You don't have to spend a fortune to show you care; use your creativity to come up with interesting gift ideas that tie into your business, the customer's business or his or her recent purchase.

With all your existing customers can do for you, there's simply no reason not to stay in regular contact with them. Use your imagination, and you'll think of plenty of other ideas that can help you develop a lasting relationship.

93. Toot Your Own Horn

Let customers know what you're doing for them. This can be in the form of a newsletter mailed to existing customers, or it can be more informal, such as a phone call. Whatever method you use, the key is to dramatically point out to customers the excellent service you're giving them. If you never mention all the things you're doing for them, they may not notice. You aren't being cocky when you talk to customers about all the work you've done to please them. Just make a phone call and let them know they don't have to worry because you handled the paperwork, called the attorney or double-checked on the shipment—one less thing they have to do.

94. Beyond the Basics

Do you have a dedicated staff or channel for resolving customer problems quickly and effectively? How about online customer assistance? One of the best ways to add value and stand out from the competition is to offer your customers superior customer service. Customers often make choices between parity products and services based on the perceived "customer experience." This is what they can expect to receive in the way of support from your company after a sale is closed. Top-flight customer service on all sales will help you build repeat business, create positive word-of-mouth and increase sales from new customers as a result.

One simple way to increase the reach of your customer service is to empower your employees. Giving employees some flexibility in handling problems that arise benefits your business in several ways. Research has shown that employees who have this kind of freedom begin to think more strategically about their work and about your business. They endear themselves to your customers because they act as customer advocates. They go beyond satisfying needs to exceeding expectations. And because they are thoroughly familiar with your company's product or service, the company philosophy, the state of the industry, and the ins and outs of good business practices, such employees can "sell" your business again and again, giving you a competitive advantage.

95. Keep 'Em Coming Back for More

With the skyrocketing cost of customer acquisition, it makes sense to focus on retaining and up-selling current customers. It can cost as much as five times more to win a new customer than to keep an old one. Customer loyalty programs (aka reward programs) have become essential in price-sensitive arenas and where there are similar products or services. About half of all Americans belong to at least one.

Here are a few things to keep in mind when creating a reward program:

- Choose the right rewards—in-kind rewards (buy five, and the sixth one is free) are less costly and are clearly associated with your business.
- Tell customers what to expect; this entices them to make purchases toward their goals.
- Reward your best customers by offering graduated awards with increasing cash value. This turns low-value customers into high-value ones, and it avoids the pitfalls of other types of reward programs, which attract less-profitable price switchers.
- Reward at enrollment to encourage customers to register, and measure performance by setting goals for the program and constantly monitor the results.

Achieving Your Business Goals

96. Revisiting Your Goals

The value of a goal lies in the way it provides you with a relatively steady, unwinking light toward which to steer in the fog of everyday business life. But that doesn't mean a goal should be as immovable as a lighthouse. You should periodically take a fresh look at your goals to see if they need to be changed or, perhaps, dumped. Changes in your personal situation, such as a desire to spend more time with your family, may cause some goals to become irrelevant to your true desires. Of course, the best reason to scrap a goal is because it's been accomplished.

The last thing you need to know about goals is that they are just that—goals. They aren't preordained events that will occur whether or not you work toward them. In other words, just having a goal of reaching \$10 million in sales doesn't mean you'll achieve it. Nor should the

accomplishment of a goal be considered absolutely necessary to your personal well-being. Some goals are more important than others, but it's not wise to be so committed to a given goal that, if you don't achieve it or it's not all you hoped it would be, you'll be emotionally destroyed.

97. Loosen Up!

If setting and achieving your goals isn't fun, then why bother? Let your imagination carry you away to your greatest and wildest dreams, and don't limit your possibilities. Play with your goals; try being outrageous and notice how that feels. Making goal-setting a joyous activity improves your chances of achieving your goals—and setting new ones that will challenge you to reach even greater heights.

And if you fail? Pick yourself up, dust yourself off and create a new goal. We've all set goals we've failed to reach. As a result, many people create enormous mental barriers when they think about goal-setting, turning goals into yet another opportunity to fear failure or blocking themselves from aiming at what they truly desire. A "failure" is only a failure when you learn nothing from it.

98. The Power of Visualization

As you begin to write down your goals, place yourself in the future—and make it seem real. Write down the date by which the goal will be accomplished, then stop, close your eyes and imagine that you are there. Visualize yourself as clearly as you can—what you are wearing, where you are, what you are doing. How does it feel to have accomplished that goal? Make the vision as real as you can, involving all your senses.

When you write down your goals, write in the present tense. For example, if your goal is to open a restaurant, write as if the restaurant is already successful. That is, "My restaurant, (and put in the name here), is a hit! We're booked solid every night of the week. I've been interviewed in five local newspapers and have had dozens of calls from people who want to know if I'm franchising the concept. Everywhere I go, people tell me how much they love our food!"

Additionally, write down your vision of your ideal life. This is your grandest vision of your life and your world as you would live it at your highest purpose and potential. Let your imagination run wild and create the biggest picture possible for yourself. Are there real-life circumstances that might keep you from your vision ("I can't afford it," "I don't have the right training")? Pretend they don't exist and see what you can come up with when your possibilities are boundless.

99. Creating Targets Worth Reaching

When looking at new goals, make sure they have the following qualities:

- **Specificity.** You stand a better chance of achieving a goal if it's specific. "Raising capital" isn't a specific goal; "raising \$10,000 by July 1" is.
- **Optimism.** Goals should be positive and uplifting. "Being able to pay the bills" is not exactly an inspirational goal. "Achieving financial security" phrases your goal in a more positive manner, thus firing up your energy to attain it.
- **Realism.** If you set a goal to earn \$100,000 per month when you've never earned that much in a year, that goal is unrealistic. Begin with small steps, such as increasing your monthly income by 25 percent. Once your first goal is met, you can reach for larger ones.

- **Thinking short- and long-term.** Short-term goals are attainable in a period of weeks to a year. Long-term goals can be achieved five, 10 or even 20 years from now; they should be substantially greater than short-term goals but should still be realistic.

100. Plan for Success

At its simplest, a goal is just something you aim for. But goals are powerful contributors to successful business growth in several ways. To begin with, the process of setting goals forces you to think through what you want from your business and how growth may—may not—provide that. This process helps suggest directions for pursuing that growth, which can greatly improve your chances of achieving your goals in the first place.

Goals also give you a framework within which to work. This tends to focus your efforts by helping you rule out actions that won't contribute to achieving the goals you have set. A very important part of that framework is a timetable. Any good goal has a timetable, and that timetable will influence your actions profoundly. For instance, if your goal is to retire by age 50, you'll know that any growth plan with a payoff that won't occur by your 51st birthday is not one you'll consider, no matter how attractive it might otherwise seem.

Lastly, write your goals down and make a cribsheet to post in a place where you'll see it every day—a bulletin board by your desk, your bathroom mirror, your refrigerator. You may think you'll remember your goals five months or five years down the road, but a visual reminder will do wonders to help you stay focused on the goals you've set and on the tasks you need to complete on a daily basis to reach those goals.

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